

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

STARRED QUESTION NO:117

ANSWERED ON:24.10.2008

ROLE OF PRIVATE SECTOR FOREIGN BANKS

Pallani Shamy Shri K.C .;Subbarayan Shri K.

Will the Minister of FINANCE be pleased to state:

- (a) the number of branches of private sector banks and foreign banks functioning in the country, State-wise, bank-wise;
- (b) the details of amount mobilized and loan provided by these banks during the last three years and the current year, State-wise, bank-wise;
- (c) whether these banks have provided credit to the agriculture and the other priority sectors as per the guidelines issued by RBI;
- (d) if so, the details thereof during the last three years and the current year; and
- (e) the steps taken by the Government to enforce a better social role for the private sector/foreign banks in the country's banking system?

Answer

THE MINISTER OF FINANCE(SHRI P. CHIDAMBARAM)

(a) to (e): A Statement is laid on the Table of the Lok Sabha.

Statement referred to in reply to Part (a), (b), (c), (d) & (e) of the Lok Sabha Starred Question No.117 for answer on 24th October, 2008 regarding 'Role of Private Sector/Foreign Banks' by Shri K. Subbarayan and Shri K.C. Pallani Shamy.

(a): According to information provided by RBI a total of 8,270 private sector bank branches and 279 foreign bank branches were functioning in the country as on 31st March 2008.State-wise, bank-wise details are at Annexure-I(A to C).

(b): Details of State-wise, bank-wise outstanding credit and deposits for the last three years and the current year are not readily available and will be compiled and placed on the Table of the House in due course. However, the overall bankwise details for the last three years are given below:-

(Amount in Rs. Crore)

Bank name March 2006 March 2007 March 2008

Total	Total	Total	Total	Total	Total
Deposits	Outstanding	Deposits	Outstanding	Deposits	Outstanding
Advances	Advances	Advances	Advances	Advances	Advances

Foreign Banks 113471 98862 150795 127868 191198 162999

New Private sector banks 289434 219664 404721 298117 501007 359305

Old private sector banks 130088 84129 138250 93752 165628 113040
Data source : Off-site Returns, RBI

(c) to (e): The domestic scheduled commercial banks including private sector banks and foreign banks are required to extend credit

to the priority sector as per the extant guidelines,in this regard.The data on lending to agriculture and other priority sectors by private sector and foreign banks as on the last reporting Friday during the last 3 years is furnished at Annexure-II. Performance against targets is also indicated therein.

Disincentive for non-achievement of priority sector targets/sub-targets is by way of contribution of an allocated amount of shortfall to the RIDF administered by NABARD. This is obligatory for the domestic scheduled commercial banks, including private banks.

For the foreign banks, the shortfalls are deposited with SIDBI or funds with other financial institutions as specified by Reserve Bank for such purposes as may be stipulated by Reserve Bank from time to time.